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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Division Director

Inspection Report
Minerals Regulatory Program
June 23, 2006

Supervisor RDH

Mine Name: Unpermitted
Operator Name: DGN Corp.

Permit number: Unpermitted
Inspection Date: June 21, 2006
Time: 10:30 am

Inspector(s): Lynn Kunzler, DOGM
Other Participants: none
Mine Status: Recently Active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Inspection performed due to a citizen complaint.

Inspection Summary:

1. This site has been active recently. The area is subject of Cessation Order #MC 06-01-02, issued to Timberline Rock on May 17, 2006. The initial CO was left of the seat of a pickup of the operator (DGN Corp.). DGN Corp. had called on May 18, 2006 to discuss the CO, and was informed that the only related mining activity allowed was within the 5-acre permit area in the northwest corner of the property (surface and mineral owner is Matt Carter, Timberline Rock. Also permittee). DGN was also informed that the CO applied to removal of materials previously mined that were stockpiled near the tailings pile between Timberline and Wasatch Excavating's sites.

During the inspection it was noted that there has been continued mining activity outside the permitted area of Timberline. Stockpiled materials have apparently been removed and additional material has been brought in. Matt Carter of Timberline Rock indicated that DGN does not have permission to continue operations at this time.

4. A diesel fuel tank (350-500 gal capacity) has been brought in a placed near the old tailings dump. The tank appears to be about 1/4 full, and has apparently been leaking (based on nature of contaminated soil around the tank. There was no secondary containment for spill control.

Photos were taken to document site conditions.

Inspection Date: June 21, 2006; Report Date: June 23, 2006

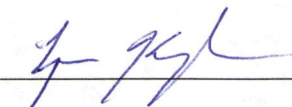
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Unpermitted Site (DGN Corp)

Conclusions and Recommendations:

1. A Cessation order (#MC-06-01-05) was issued to DGN for conducting mining operations without a permit. A Violation (#MV-06-01-06) was issued for improper storage of deleterious materials (fuel tank and leak/spill).

Inspector's Signature



Date: June 23, 2006

LK:pb

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